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TRADE AND DEVELOPMENT BOARD

Twentieth session

SUMMARY RECORD OF THE 529th MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 13 March 1990, at 11 a.m.

President: Mr. NYERGES (Hungary)

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The meeting was called to order at 11.15 a.m.

EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTERRELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND UNCTAD'S NECESSARY CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (agenda item 3)

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INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 5)

- (i) REVIEW OF IMPLEMENTATION AND FURTHER ACTION THAT MAY BE REQUIRED PURSUANT TO TRADE AND DEVELOPMENT BOARD RESOLUTION 165 (S-IX), PART A;
- (ii) DETAILED FEATURES FOR FUTURE OPERATIONS RELATING TO KEY PROBLEMS OF INTERESTED DEVELOPING COUNTRIES (TRADE AND DEVELOPMENT BOARD RESOLUTION 165 (S-IX), PART B) (agenda item 6)

1. The PRESIDENT informed the Committee, in connexion with item 5, that the meeting of governmental experts on interdependence, on which the Secretary-General of UNCTAD was to report to the Board at its twentieth session, had been postponed until 21 May 1980, and in connexion with item 6, that the UNCTAD secretariat had circulated a letter received from the Government of the Netherlands on debt relief measures taken pursuant to part 1 of Board resolution 165 (S-IX) (TD/B/790).

2. Mr. ALI-SHAKIR (Iraq) said that his delegation supported the draft resolution (TD/L.206) submitted at the fifth session of the Conference by Cuba on behalf of the States members of the Group of 77, which suggested a very direct approach to the problem of indebtedness and measures to relieve the debt burden of the developing countries. The draft resolution contained a paragraph relating to the establishment of an International Debt Commission whose members would be eminent public figures with recognized knowledge and experience of debt problems and economic development. The Commission's task would be to examine, at their request, the debt problems of developing countries. To provide for the participation of developing countries in that Commission, his delegation proposed the addition, to follow the first sentence of the paragraph in question, of the words "account being taken, in the composition of the Commission, of geographical distribution and debt volume".

3. Mr. MUNDASS (Saudi Arabia) said that his delegation would be ready to take part in the discussion of agenda items 3, 4, 5 and 6, but it was difficult for it to comment on certain documents dealing with those items, as they had not yet been issued in Arabic. Furthermore, his delegation had not always participated in the work of the groups and committees concerned with these questions. The question of the

Arabic language was a source of discrimination: even the daily programme was issued in all the languages except Arabic. He therefore requested the Secretariat to bear in mind that Arabic was both an official and a working language of UNCTAD.

4. Mr. CLOVER-LATY (Ghana) said he had been glad to learn that the Netherlands, although only the Netherlands, had alone the last session of the Board taken debt relief measures in favour of developing countries. At that session the delegation of France on behalf of a number of Group B countries had stated that it shared some of the regrets expressed by the delegations of Ghana and Pakistan. Those two delegations had felt that the dialogue could not be pursued further and that Group B's difficulties were due to lack of political will and perhaps to problems of finance. His delegation hoped that announcements would be made at the present session which would give hope of a willingness on the part of Group B to expand the coverage of their debt relief measures and take more effectively into account the detailed features for future operations. For the moment his delegation would like simply to have some information on what the developed countries had done in that field since the preceding session of the Board.

5. Mr. ALI (United Arab Emirates) endorsed the comments made by the representative of Iraq concerning the establishment of an international debt commission. The commission should not however confine itself to studying the loans offered by developed countries: it should also examine offers of credit made by developing countries to other developing countries. Some developing countries granted loans and credits on very favourable terms, which it would be interesting to compare with the rates offered by developed countries. A lowering of the interest rate to 2.5 per cent, for instance, such as was referred to in the letter addressed by the Netherlands to the Secretary-General of UNCTAD (TW/BR/000), could scarcely be regarded as debt relief when a developing country, including the United Arab Emirates, granted loans at extremely low interest rates which never exceeded 2 per cent. Some industrialized countries probably could offer loans on still more favourable terms but did not do so.

6. He therefore suggested that a review study should be undertaken which would give a picture of the situation regarding payments and indebtedness. Moreover, debt relief did not mean simply lowering interest rates. It was necessary also to make long-term arrangements for repayment and interest-free periods. Some developing countries, for example, offered loans, which were more in the nature of grants, at a rate below 2 per cent, together with an interest-free period exceeding 10 years and repayment periods of 10 to 40 years.

7. Mr. STEIN (Austria), reacting to the Ghanaian delegation's query concerning the action taken by the Group B countries in implementation of Board resolution 16 (B-IX), said that Austria had decided to convert into a grant a development loan made to Ghana and had submitted to the Ghanaian authorities a bilateral agreement to put that decision into effect. His Government was now awaiting a reply from the Ghanaian authorities. Similarly, development loans granted to India had been converted into grants by an act of 12 June 1973. The Austrian parliament had also approved the conversion of a loan to India into a grant and the Austrian Government was actively engaged in negotiations with the Indian Government with a view to concluding a bilateral agreement to that effect.

8. Mr. ROUGE (France), also reacting to the representative of Ghana, said that the French parliament had before it the necessary bills for conversion of the debts to which Board resolution 15 (S-IX) related. Pending parliamentary approval, the countries concerned had been informed that they would in anticipation refrain from paying the arrears in arrears, as if the necessary agreements had already been concluded. France was therefore already implementing the Board's resolution.

9. There could likewise be said to be advancing implementation with regard to the detailed features for future operations relating to debt problems. France had taken note of the informal agreement of the preceding session and was implementing it even before it had been ratified.

10. Lastly, he admitted that the question of indebtedness should be the subject of such haphazard consideration. He admitted that agenda item 5 referred only to the implementation of Board resolution 15 (S-IX), while the question of the indebtedness of the developing countries was the increasingly difficult problem it was causing was bound to add to the complexity of the world trade and economic situation, with the movement of resources towards the establishment of the new international economic order and with the resurgence of problems of trade, development finance and the international monetary system, i.e., agenda items 3, 4 and 5. The Group of Experts which was to prepare a study to consider the question of interdependence (S-IX) was in the midst of the subject, taking as its starting point the text of the Board's resolution just then circulated under the symbol TD/1/7/3.

11. Mr. BLONDEAU (France) thanked the representative of Justice and Peace for their explanation.

MATTERS REQUIRING A MINUTE BY THE SECRETARIAT FOR THE DEBATE ON ECONOMIC AND ACTIVITIES OF THE SECRETARIAT OF THE BOARD (agenda item 7) (continued)

(a) IMPLEMENTATION OF THE BOARD'S RESOLUTIONS ON DEBTS

12. Mr. McNEILL (Canada) said that one of the members of his delegation that the secretariat had prepared the Board's resolution and had recently been distributed and which listed the documents related to the Board's 15th annual special session and its twentieth regular session, as well as the Board's agenda, the date on which the document had been submitted to the secretariat's Office at Geneva and the date of issue in the various languages. He said however that, in the case of his delegation, for example, the documents had not yet been received in ready-to-dispatch form. He said that it was in the emergency instructions for the purposes of the session. He said that, however, that some documents could be reproduced without interpretation by the secretariat and that about 75 per cent of the documents had been received by the United Nations Office at Geneva after the deadline. He said that he had been supplied with in the case of only 7 documents out of 45.

13. He wished to emphasize that he was not in a position to provide information not in order to embarrass the secretariat but to help his delegation and others better to organize their work during the present session. Since it was difficult for those working in one or other of the languages to understand some of the delays encountered in the distribution of the documents in other languages, the information provided by the secretariat would not only be useful but delegations would be able to take it into account. He did not wish to help the secretariat for the speed and efficiency it had shown in providing the list of questions.

The meeting rose at 12.15 p.m.